Doing No Harm in Lebanon: The Need for an Aid Paradigm Shift

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A woman receives food at the food distribution point of the "Beit al-Baraka" aid initiative in the Ashrafia district. Photo by Marwan Naamani/picture alliance via Getty Images
Introduction

This week, protestors took to the streets across Lebanon, blocking roads and burning tires as the acute depreciation of the Lebanese pound continued, reaching another historic low. Ever since the end of the civil war (1975-1990), Lebanon has known little stability, let alone prosperity. But since late 2019, crisis upon crisis have wreaked havoc and the humanitarian situation has deteriorated exponentially. First, the most acute economic crisis in its recent history struck—even worse than any Lebanon endured during its 15-year civil war. Shortly after, the COVID-19 pandemic and its economic shockwaves reverberated intensely throughout the country, aggravating an already dire situation. To add insult to injury, on August 4, one of the largest non-nuclear explosions in history ravaged the capital, Beirut, killing more than 200 people, wounding more than 6,500, and leaving tens of thousands homeless. These converging crises have pushed hundreds of thousands into misery. They come on top of the protracted displacement of nearly 1 million Syrian refugees and an estimated 200,000 Palestinians in the country, and have exacerbated these refugees’ existing vulnerabilities.

In addition, these crises exposed failures of governance and pose significant challenges for Lebanon’s traditional aid paradigm—one that depends on deep engagement with state institutions. Decades of international assistance managed to keep the country afloat, but largely ignored predatory governance and systematic corruption perpetrated by Lebanon’s political parties. Now, international donors and aid agencies will need a new and innovative approach. This approach must allow for the provision of humanitarian aid to alleviate the suffering of millions of people—Lebanese and refugees alike—while circumventing the state’s systemic corruption. Only then will long-term and genuine reform be possible.

The good news is that Lebanon’s international partners now recognize that it can no longer be business as usual. The United States, France, and others have linked any assistance package to comprehensive reform. Reform, recovery, and reconstruction—these three Rs—constitute the pillars of an initiative, the 3R Framework, or the Lebanon Reform, Recovery & Reconstruction Framework (3RF), led by the European Union (EU), United Nations (UN), and World Bank Group (WBG). Its sponsors intend to support a long-term and sustainable strategy for extracting Lebanon from its quagmire. Many of the necessary recovery measures seem self-evident. However, if past is prologue, reform will be tremendously challenging to achieve.
The situation in Lebanon is ripe with uncertainty. But the international community should build on emerging trends, including within Lebanese civil society, to overcome some of the challenges. Donors and the aid community should adopt a new approach that helps avoid past mistakes. This means holding governmental bodies accountable, enforcing strict standards against corruption, and endorsing civil society organizations (CSO) as allies against corruption and partners in devising short-term and long-term plans. Moreover, donors and UN agencies should assume a greater role in humanitarian diplomacy to ensure that Lebanon respects refugee rights and dignity.

The Political Economy of Corruption

Lebanon’s sectarian nepotism and corruption are largely responsible for the country’s current predicament. Over the years, Lebanon’s main political parties have siphoned off resources from the public sector to bolster their respective sectarian-based patronage networks. These practices prevail across a bloated public sector with hundreds of thousands of employees often appointed based on sectarian and political allegiances. This includes scores of ghost employees. Public sector contracting is also rife with abuse. Leaders of sectarian parties—often political foes—have repeatedly closed ranks to protect these patronage networks. This system has proven extraordinarily resilient in no small part because many citizens have seen their leaders and their confessional political parties as offering an essential bulwark against other sects.

Indeed, real reform in Lebanon has proven elusive, despite years of popular protest and scores of casualties among civilians. In October of 2019, hundreds of thousands of protestors took to the streets calling for “accountability, an end to corruption, and the resignation of all political representatives.” Although the cabinet resigned under popular pressure, the new cabinet was riddled with the same sectarian rifts, and the political and economic crisis only worsened. On August 4, 2020, a deadly port blast in Beirut reignited demonstrations that culminated in a resignation of the government led by Prime Minister Hassan Diab. The blast was caused by tonnes of nitrate ammonium unsafely stored in the port, and several reports revealed that senior officials—including the prime minister and the president—knew about the dangerous presence of the substance.

However, pressure for reform may be reaching a tipping point. The Lebanese state has grown significantly weaker in recent years. Predatory behavior by the political factions
has drained the public coffers. The dearth of resources is beginning to threaten the resilience of the traditional order. Popular support for reform is growing. CSOs have become watchdogs against corruption and mismanagement. New leaders and local independent representatives are emerging in syndicates, students’ councils, and non-governmental organizations (NGOs). For their part, many of Lebanon’s traditional donors have also reached a breaking point. They now appear intent upon conditioning recovery assistance on significant reforms even as the country grapples with three interlocking crises.

**Three Crises—Adding Insult to Injury**

Over the last year and a half, Lebanon has endured three consecutive crises: the collapse of the economy, the blast at the Beirut port, and the COVID-19 pandemic. These crises have exposed, once again, the failures of the country’s political and sectarian-based system. Each of these crises would have been significant on its own terms, but the combination has been devastating. Lebanon now faces major challenges on its road to recovery—challenges that will be exacerbated by the obstacles of predatory governance.

**Economic Collapse**

Lebanon’s economic collapse has been a long time in the making. Monetary and fiscal mismanagement in the aftermath of the 1975-1990 civil war reached such levels that, by early 2018, the country was the third-most indebted nation in the world. Since 1997, the Lebanese central bank (Banque du Liban – BDL) pegged the Lebanese pound at around 1,500 Lira for the dollar, and both currencies were used interchangeably. The initial relatively slow depreciation of the Lebanese pound that began in late 2019 accelerated steeply to reach more than 80 percent by mid-2020. Inflation also rose to as high as 80 percent, leading to most Lebanese and refugees losing significant purchasing power, and affecting the lives of millions of people.

The financial crisis revealed a dangerous state-led Ponzi-scheme, by which commercial banks lent depositors’ funds to the central bank at exorbitant interest rates. The BDL used the dollars to maintain the currency peg. But when remittance and foreign currency inflows significantly decreased, the situation spiraled out of control. Banks faced a significant dollar shortage and could no longer meet depositors’ demands. As a result, they imposed extreme restrictions on withdrawals, preventing people from all
walks of society from accessing their funds. Today, people in Lebanon must navigate several exchange rates. These include the central bank’s official rate set at **3,900 Lira for the dollar**, and the free market’s fluctuating rate reaching an ever low of 10,000 Lira at the time of writing, which is considered the most reliable indicator of **the Lebanese pound’s true value**.

To tackle the crisis, Lebanon has pursued a potential $10 billion **International Monetary Fund (IMF) bailout**. However, even these negotiations have stalled, despite being what some experts have called ‘**the only way out**’ for the country. A parliamentary committee representing the major political factions and supported by the BDL and private banks advocated a different approach than that of the government, and **strived to minimize banks’ losses** to the detriment of depositors and the state, using a lower exchange rate. “The ruling class approach is nothing but a bad-faith trick,” an economist told Refugees International. “The fact that most political leaders are closely associated with the banking sector makes it even more suspicious.”¹ Many economists fear that if Lebanon does not change its approach, it might lose the painful but necessary IMF rescue plan, which will further precipitate the country’s economic collapse. Some go even further accusing the country’s leaders of delaying fiscal reforms that might undermine their power. In short, the negotiations with the IMF further exposed the ruling parties’ business-as-usual attitude, giving precedence to their vested interests over the country’s very survival, and resistance to reforms.

**Beirut Blast**

Just as many Lebanese held politicians responsible for the country’s economic collapse, many also believed that the port’s explosion is yet another example of **their negligence**, incompetence, and corruption. The explosion **claimed the lives** of more than 200 people, injured more than 6,500 people, and displaced an estimated **300,000 people**. With **billions of dollars** in damage and economic loss, it has significantly strained Lebanon’s capacity to recover from the economic downturn, further deepened its political crisis, and exacerbated distrust towards politicians. “**My government did this,**” read graffiti on a wall at the site of the explosion.

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¹ For the connection between political leaders and banks, see http://jadchaaban.com/wp-content/uploads/2015/09/Mapping-control-banks-jchaaban-15092015.pdf
Furthermore, those affected by the blast were largely left to fend for themselves, receiving little to no government support.\footnote{Interviews with people affected by the explosion and with representatives of NGOs, November 2020.} The Beirut blast hit both affluent neighborhoods and areas among the poorest in the capital, housing vulnerable Lebanese, migrants, and refugees. Many people lost their houses, belongings, and work all at once. “You could not believe the scale of destruction and misery we saw,” a researcher who was on the ground a few days after the blast told Refugees International. “People suddenly were ripped of everything. They were asking for the most basic [things], medicine, food, a ceiling above their head.” As the most senior UN official in the country put it, “women and men who have never had to ask for help [are] now reduced to handouts.” Six months into the explosion, tens of thousands of houses have been repaired thanks to the efforts of international organizations, national NGOs, and grassroots initiatives. However, in areas hit hardest by the blast, neighborhoods remain destroyed, businesses closed, and thousands of families displaced.\footnote{Interviews with representatives of NGOs and architects involved in the reconstruction process, January 2020.}

A domestic probe into the tragic incident led by a Lebanese military judge was launched on \text{August 17}. But the investigation has yet to lead anywhere because of its slow pace and political interference in the judicial process. On February 18, the Lebanese court of cassation \text{removed the military judge} following complaints filed by two ministers accused of \text{criminal negligence}, which has further \text{deepened anger} and exposed political constraints to justice.

**In the Eye of the Pandemic**

The second wave of COVID-19 hit in August 2020. While Lebanon was struggling to deal with the Beirut port blast and its aftermath, it failed to contain the outbreak. Less than a month after the explosion, the country saw a staggering 300 percent increase in its number of COVID-19 cases. In October, \text{42,000 people contracted the virus}, and 277 died. In mid-November, as a weakened and \text{overstretched health sector} strived to respond, the government imposed a two-week partial lockdown and curfew across the country. However, the renewed lockdown failed to curb the spread of the virus. By January 10, the number of new COVID-19 cases had reached a new high of more than \text{5,000 per day}, leading to a renewed \text{lockdown}, but this time around the clock.

Lebanon’s response to the COVID-19 pandemic is symptomatic of the country’s malaise. “It is the result of the lack of policies and planning,” explained a doctor in a northern
hospital. But even when policies are devised, they are often not—or only arbitrarily—implemented. The November lockdown was unequally enforced across the country, with restrictions mainly observed in the capital center, and some main cities. What’s more, efforts to curb the pandemic have been crippled by divisions and competition among the country’s local representatives, parliamentarians, government officials, and health professionals.

Despite the lockdowns, the rate of coronavirus infections continues to accelerate, resulting from a combination of fatalism, loss of hope, and lack of awareness. Worryingly, the general disregard of public health requirements betrays a lack of confidence in the country’s leadership.¹ To make matters worse, the government often appears oblivious to the economic impact of the disease on the country’s most vulnerable communities. Indeed, it has failed to articulate a national strategy to manage the secondary effects of the pandemic.

For Syrian refugees, the lockdown destroyed what few opportunities they have to earn a livelihood. The policy also further constrained their already limited access to public services, including healthcare. Regrettably, discrimination against refugees extended to the COVID-19 response as some municipalities enacted “coronavirus curfews” specifically targeting refugees, which further hindered their ability to seek treatment for COVID-19 and other illnesses. Fear of social stigmatization prevents most refugees from testing for the virus, even leading some to hide COVID-like symptoms.⁵ “In informal camps (where an estimated 30 percent of refugees live), many would tell me that even if they had symptoms of COVID-19, they would not tell me,” recounted a social worker in an international organization. Moreover, shared latrines, proximity of tents, overcrowding, and poor hygiene conditions all make social distancing and other hygiene requirements virtually impossible.

In mid-February, Lebanon, with the support of the World Bank (WB), received the first batch of vaccines, which will cover 20 percent of Lebanese nationals. The Bank contracted the International Federation of Red Cross and Red Crescent Societies (IFRC) to oversee the vaccine distribution. Yet, the process has been marred by political favoritism, echoing concerns that Refugees International’s interlocutors have voiced. Many feared that political parties’ predatory and sectarian practices would impact vaccine distribution. On February 23, the WB threatened to suspend the funding for the

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¹ Interviews with residents and observations, November 2020.
⁵ Phone interviews with social workers in refugee camps and Syrian healthcare workers, November 2020.
vaccine as it investigates alleged malpractices. Moreover, while Lebanon has committed to include refugees in its national vaccination campaign, no plans have been devised for the administration of vaccines to non-Lebanese residents, including Syrian and Palestinian refugees. In both Lebanese and refugee milieus, there is widespread anti-vaccine fearmongering and misinformation related to vaccine.⁶

People from all walks of life have felt the impact of these combined crises. However, it is the most vulnerable—including disenfranchised Lebanese, Syrian, and Palestinian refugees, and other migrants—who have borne the brunt of the situation. By August 2020, the UN estimated that more than half the Lebanese population were living under the poverty line. This is nearly double the previous year. For refugees, the crises have exacerbated already challenging circumstances and increased their poverty and hardship. Many, nationals and refugees alike, are now seeking to leave the country, some risking their lives at sea. Equally worrying, Lebanon’s turmoil poses a real threat to the country’s stability. Observers fear a social implosion as small crimes and ‘hunger crimes’ are rising. Tripoli, one of Lebanon’s poorest cities, offered a foretaste of what could be to come when, in late January, angry protesters clashed with security forces and set the municipality building ablaze.

The Failings of the Traditional Aid Paradigm in Lebanon

Western donors and aid agencies are rightly engaged in an effort to shore up the worst of the suffering and to help Lebanon’s most vulnerable communities begin to recover from these crises. In addition to ongoing humanitarian relief efforts, the EU, UN, and WBG launched the so-called 3RF, a ‘people-centered’ initiative aimed to achieve recovery, reconstruction, and reform. These are ambitious goals that will be extremely difficult to achieve without a significant paradigm shift. For aid efforts to be successful, donors and aid agencies will need to avoid the mistakes of the past and finally confront the country’s legacy of structural corruption. To be sure, the decade-long humanitarian intervention in response to the presence of more than 1 million Syrian refugees in Lebanon offers important lessons to draw on.

⁶ Phone interviews with medical workers, residents, and refugees, February 2021; and monitoring of vaccine-related discussion on social media.
Lessons from the Syrian Refugee Response

Over the last decade, the UN and other relief groups have often found themselves trapped in short-term cycles of immediate assistance that have done little to advance durable solutions. For example, in the case of Syrian refugees, humanitarian assistance has not moved beyond the initial emergency phase of intervention. In Refugees International’s discussions with Lebanese and Syrian NGO representatives and activists, many have voiced concerns over this approach. “Sometimes, we [the Syrians] are fed-up with some aspects of humanitarian aid,” said a Syrian researcher. “Every time I see a winterization funding campaign, I feel enraged. It has been almost ten years now. Isn’t it time for humanitarians to come up with better ideas than raising funding for mattresses, blankets, and other belongings and tents flooded by storms every year?” This same approach continues to date. To be sure, formal integration of Syrian refugees in Lebanon may not be politically feasible. However, the majority of refugees are likely to remain in the country for years to come, hence the need for a more sustainable aid approach that provides dignified shelter, and prioritizes self-reliance programs.

Understandably, Lebanese governmental restrictions against refugees have put immense challenges on donors and aid actors undermining a significant shift from short-term objectives to a more sustainable humanitarian intervention. However, donors, UN agencies, and INGOs have often been too ready to yield to Lebanese pressure, all while continuing to provide funding to the country’s governments. For their part, senior government officials, instead of developing a viable and sustainable plan to meet refugee needs, have strove to monetize the refugee crisis for their own benefit, while scapegoating refugees and denying them fundamental rights.

The humanitarian response to Syrian refugees has also contributed to tensions between refugees and their hosts. Hundreds of thousands of Syrians found shelter in the country’s most destitute areas in the Bekaa and the north. However, in the first two to three years following Syrians’ displacement, international assistance focused almost solely on refugees, which has perpetuated a sense of neglect among disenfranchised Lebanese. As a result, resentments between the two communities persist despite a more inclusive humanitarian response. In some instances, the lack of coordination between international actors and local groups have exacerbated these hostilities and undermined efforts of local actors. The head of a national organization that provides aid to vulnerable Lebanese across the country told Refugees International that,

7 Phone interviews with local officials, residents, and refugees, November 2020 – February 2021.
“competing agendas between the various humanitarian actors can sometimes be very harmful. For instance, our organization had trained and supported dozens of elderly people who lost their income after retirement through sewing projects in Nabaa [a marginalized neighborhood in Beirut suburbs]. The UN distributed more than 150 sewing machines to Syrian women in this same neighborhood. Many of our beneficiaries could not meet Syrian refugees’ lower wages, and lost their only source of income. Anger and grudges between the two communities became very high.”

Navigating the Lebanon Context

Donors and aid agencies often sideline members of Lebanon’s active and vibrant civil society. While local groups might benefit from funding, they are rarely considered a major pillar of the initiation and planning phases of aid programs.8 “The international aid community look at us as implementing actors but not as equal counterparts,” the director of a Beirut-based NGO told Refugees International. This, however, is counterproductive as national and local groups face less security constraints, often have better understanding of local realities, and have demonstrated great capacities in responding to crises. In recent years, Lebanese NGOs, grassroots groups, charities, and volunteers stepped up to fill the vacuum, as governments grappled with successive crises and often failed to offer even basic protection and support to the most vulnerable. At both the national and local levels, organizations and individuals have distributed food, clothing, cash, medicine, and other necessities as needs have significantly increased. CSOs were also the main actors both in the aftermath of the explosion and six months later. Moreover, many NGOs have come up with innovative solutions to tackle rising vulnerability across the country. These include opening kitchens and supermarkets that serve the most vulnerable communities, planting lands donated by wealthy Lebanese where the produce goes to benefit the neediest communities, and providing micro-credits and other livelihood opportunities.9

Despite a newfound appreciation of the corruption challenge, donors have yet to change course in a meaningful fashion. As Refugees International previously argued, some international aid actors have continued to partner with Lebanese entities associated with corruption, NGOs founded by politicians (many of whom are suspected of corruption), or institutions and officials responsible for serious violations of human

8 Interviews with representatives of Lebanese NGOs, November 2020.
9 Observations and interviews with residents and refugees, November 2020.
rights. For instance, in January 2021, the World Bank announced a more than $200 million loan to Lebanon at a preferential rate, through the Ministry of Social Affairs (MoSA) and the BDL, to support the most disadvantaged families. Yet, several reports have documented allegations of corruption against both the ministry and the BDL, which is currently under a Swiss investigation.

Similarly, the WB approved funding for the construction of a dozen dams in 2012, including the infamous Bisri Valley Dam. For years, activists have denounced the Bisri Dam project for its environmental impact and risks, and warned about allegations of corruption connected to Gebran Bassil, the Free Patriotic Movement (FPM) leader and the son-in-law of the president. In September 2020, the WB canceled the project. However, neither the Bank nor the ministry of energy provided a transparent breakdown of the more than $200 million disbursed for the Bisri project.

**Conclusion and Recommendations**

The Lebanese crisis will likely become protracted. In the short term, urgent efforts are needed to protect the population’s poorest segments from the dire consequences of the humanitarian and health crisis. However, an aid plan for the country should be forward-thinking and innovative enough to overcome the many challenges that remain and to avoid past mistakes. Development and aid actors must transform their policy and practices to truly achieve durable change in the medium and longer-term, even as the Lebanese system proves resistant to such change. Reform should start where change is possible, with Lebanese civil society and international actors. Both should combine their efforts to adopt a new approach that will ultimately help put Lebanon on the right path and prevent further humanitarian suffering.

**A New Aid Paradigm**

A new aid approach toward Lebanon should include the following steps:

- **Transparency and anticorruption:** UN agencies should vet any governmental and non-governmental bodies to ensure the absence of corruption and any other malfeasance. This vetting should benefit from CSOs and activists’ input. UN agencies should dedicate specialized staff to continuously and closely monitor the work of line ministries and other governmental institutions and request a timely and regular release of budgets. They should refrain from partnering with NGOs affiliated to senior political figures.
• The World Bank (WB) should refrain from partnering with line ministries with a history of corruption. It should set in place a transparent process that governs any partnership with governmental bodies to ensure that no resources are captured by political or financial elites. It should await the Swiss investigation into the BDL and its governor before it disburses any funds to the central bank.

• **Respect for human rights, including the rights of refugees:** Donor countries and UN agencies should assume an active and forceful human rights and humanitarian diplomacy role, setting clear red lines related to the respect of human rights in Lebanon. These should include rejecting restrictions on mobility of refugees, barring discriminatory curfews targeting refugees, relaxing measures to help improve refugees’ housing conditions, and banning excessive use of force against protestors.

• **Empowerment of local authorities:** International institutions should prioritize working with local authorities who have been vetted and cleared for corruption, and humanitarian and human rights abuses. They should increase the funding to municipalities and build capacities of municipal staff in anti-corruption, budgetary processes, good governance, respect of human rights, and partnerships with local communities and CSOs. The funding should be halted to any municipality that commits any misconduct or human rights violations.

• **Partnership with civil society:** UN agencies and international institutions should prioritize partnerships and coordination with national and local organizations. They should consult with civil society organizations in the planning and implementation of any international intervention to avoid assistance resulting in more harm. In addition, international donors and institutions should increase the resources dedicated to CSOs.

• Donors should encourage and support CSOs to form an accountability watchdog platform that closely monitors projects implemented by the Lebanese government and international actors, and keeps the public informed through regular reporting, social media, and other communication means.

• **Sustainable solutions:** International donors and institutions should shift their humanitarian approach towards more sustainable solutions for Syrian refugees and vulnerable Lebanese. These include improving housing conditions and developing self-reliance and livelihood programs.

**Containing the COVID-19 Outbreak**

*An international-supported fight against COVID-19 should include the following steps:*
• **Increased support to manage outbreaks:** Donor countries and the World Health Organization should increase the funding of medical organizations to ensure that marginalized groups have access to healthcare. They should support medical NGOs’ efforts to conduct free testing, increase the number of NGO-run isolation centers, and support localized medical centers to treat mild and moderate COVID-19 cases.

• **Vaccine access:** The WB should press for measures that will guarantee a fair vaccination process, including maximum involvement of national and international medical NGOs. A fair process should prioritize health workers, elderly people, and individuals at risk, regardless of any sectarian or political affiliations; prevent politicians’ interference with the process; and ensure the inclusion of the most vulnerable Lebanese and refugees, especially those living in remote areas. The International Federation of Red Cross and Red Crescent Societies should continue to monitor the process to ensure these criteria are respected, and should engage national and international medical NGOs in the monitoring process.

• **Public awareness:** Local and international organizations, with the support of UN agencies, should increase awareness campaigns and education related to COVID-19 and the risks of non-compliance with prevention requirements. They should also provide public education designed to dissipate fears and clarify misinformation about the vaccine. They should particularly target the poorest neighborhoods and refugee settlements across the country.

• **Assistance to the most vulnerable:** Donor countries should increase the funding of international organizations and CSOs to support livelihood projects and assistance to the poorest families, including temporary food and cash assistance.